

DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

In the Matter of:)	
)	
PREMERA BLUE CROSS CONVERSION)	
)	
R 03-07)	
)	Order No. 15 - Regarding
)	Statement in Washington
)	Proceeding

In his Twenty-Fourth Order, Washington Insurance Commissioner Mike Kriedler invited the Alaska Director of Insurance or her staff as she directs to provide him a written statement of any information that the Alaska Division of Insurance believes Commissioner Kriedler should be aware of in considering the Premera Blue Cross (PBC) proposed conversion.

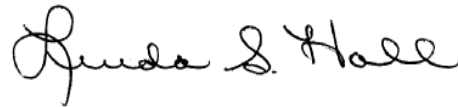
On April 30, 2004, the Alaska division staff served the director with a written statement that the staff recommends submitting to Commissioner Kriedler for consideration in the Washington proceeding on the proposed conversion. PBC does not oppose submission of this statement. Amici University of Alaska, Anchorage Neighborhood Health Center, United Way of Anchorage, and John Garner also do not oppose submitting this statement. I agree that this statement should be submitted to Commissioner Kriedler for his consideration.

The Amici also suggested that I consider submissions on other issues that may be relevant to Commissioner Kriedler's review of the conversion, such as the economic viability of PBC in Alaska post-conversion. The Amici have not elaborated on what specific financial or economic information developed in this proceeding should be presented to Commissioner Kriedler. The division staff and PBC have not responded to Amici's suggestion. There can be little question that the economic viability of PBC post-conversion is an important consideration in both the Washington and Alaska proceedings. I am aware that the Alaska consultant reports address the issue of economic viability and I have to assume that the Washington expert reports deal with this issue, as well. I also assume that the division staff would have submitted a proposed statement dealing with this issue, if the staff believed one was warranted. With the Washington proceeding now underway, it may be unduly burdensome to prepare an additional statement and to allow PBC time to comment on it, unless it was simply a matter of attaching all or part of an Alaska consultant report or reports. Accordingly, I will not ask division staff to propose an additional written statement unless upon further consideration the division staff believes submitting such a statement has merit. In that event, the division staff should submit any proposed statement to me by May 11, 2004 and PBC should file any comment or objection by May 13, 2004.

THEREFORE, IT IS HEREBY ORDERED

1. The division staff is directed to submit to Commissioner Kriedler the written statement entitled Statement of the Alaska Division of Insurance Regarding Proposed Conversion of Premera, dated April 30, 2004.

2. If the division staff believes that an additional written statement should be submitted to Commissioner Kriedler on the issue of economic viability, then a proposed statement should be filed with the director by May 11, 2004. PBC shall file any comment or objection to the proposed statement by May 13, 2004.



Dated: May 7, 2004

Linda S. Hall
Director